

# THE FACTS: Direct Deposit Saves Time



## What is Direct Deposit?

Direct Deposit is the electronic transfer of your paycheck, benefit check or other payment into your checking, share draft or savings account, or an ETA<sup>SM</sup> — Electronic Transfer Account. Instead of receiving a check in the mail and taking it to your financial institution, you can rest assured that your money is in your account. The money is available to you the morning of the payment date.

## Direct Deposit offers these benefits:

Direct Deposit is the electronic transfer of your paycheck, benefit check or other payment into your checking, share draft, savings account or ETA.

**Convenience:** No more special trips to your institution to deposit your check — a nice feature if you are busy, ill, away from home, located far from a branch or in a place where parking is hard to find.

**Reliability:** You no longer need to wait for your check to arrive in the mail. Your money will always be in your account on time. If you move without changing financial institutions, you will not have to wait for your check to catch up with you.

**Security:** You do not have to worry about lost, stolen or misplaced checks.

**Flexibility:** If you decide to switch accounts or institutions, it is easy to change your Direct Deposit arrangements. Simply contact your institution and the agency or organization that issues your payment. Both will have forms for you to fill out to make it easy.

## What types of payments can be made by Direct Deposit?

- Benefit checks from the Federal government, such as Social Security, Supplemental Security Income (SSI), Railroad Retirement, Veterans benefits and Civil Service Retirement payments
- Benefit checks issued by state governments, including retirement and unemployment
- Paychecks from your employer
- Pension payments
- Income from investments
- Federal and State income tax refunds

## Will my money be safe?

Your money is protected. Government agencies have rules to

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protect you in case of an error. The Social Security Administration has used Direct Deposit since 1976 and has never lost a payment. Plus, your money is protected up to \$100,000 per depositor if it is deposited in a federally insured institution.

Direct Deposit is more confidential than getting a check because fewer people are involved in the process.

### **How can I avoid problems?**

Keep track of deposits and withdrawals. Compare them with your statement. Immediately contact your institution if you find an error. For an error involving Direct Deposit, an Automated Teller Machine (ATM) deposit or withdrawal, you have 60 days from the date your statement was mailed to contact your institution. If you miss the deadline, your institution does not have to investigate the problem.

Once you contact the institution, it has:

- Ten business days to investigate the problem
- One business day to correct the error after finding it

- Three business days to tell you the results of the investigation

### **There is an exception:**

If the money in question is returned to your account within 10 business days of when you notified the institution of the error, the institution can take up to 45 days to investigate. If no error is found, the institution may take back the money in question if it sends you a written explanation.

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